



County of Los Angeles

CHIEF ADMINISTRATIVE OFFICE

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Fifth District

June 6, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

The Budget Conference Committee held its first meeting on Wednesday evening, June 4, 2003. Members include Jenny Oropeza (Chair), John Campbell, and Darrel Steinberg for the Assembly, and Wesley Chesbro, Dick Ackerman and Dede Alpert for the Senate. According to the Chair, they plan to complete their work by Sunday but will not address the larger, more political issues such as whether to increase taxes, which will have to be resolved by the Big Five – the Governor and the Leaders of the four caucuses. As of this morning, the Committee had taken action on the following items of interest to the County:

Health and Human Services

County Child Support Agencies Funding Allocations: adopted the Senate position to establish a working group including counties to review and recommend revisions to the current allocation methodology which seriously disadvantages the County.

Alcohol and Drug Funding: adopted the Senate position to accept the May Revise recommendation to cut county discretionary funding by 4.5 percent or \$11.5 million to maintain State funding at the Federal maintenance of effort level.

Adult System of Care: adopted the Assembly position to redirect \$2 million in Federal funds for two projects, including "The Village" in Los Angeles.

General Government

Mandates: adopted the Senate position, proposed in the May Revise, to suspend rather than defer some 34 mandates. They will apparently fund the public notice requirement under the Brown Act. Four of the 34 mandates are ones for which the County annually incurs approximately \$800,000 of costs which will no longer be reimbursable for the duration of the suspension.

Status of County-Interest Legislation

A number of County-interest bills have passed through their house of origin this week and are now on the floor of the second house awaiting committee assignments.

The following bills passed the Assembly and are now in the Senate awaiting committee assignments.

County-supported AB 83 (Corbett), which would require water bottlers, water vendors, and retail water facilities to prepare and distribute annual consumer confidence reports, passed the Assembly on June 4, 2003 on a vote of 41 to 33.

County-supported AB 490 (Steinberg), which seeks to ensure all students in foster care have the opportunity to meet the same academic achievement standards as other students, and are placed in the least restrictive educational program with access to the same academic resources and services as other pupils, passed the Assembly Floor on June 4, 2003 by a vote of 73 to 4.

County-supported, if amended, AB 496 (Correa), which creates the Santa Ana River Conservancy, passed the Assembly on June 4, 2003, on a vote of 52 to 24. Our Sacramento advocates will continue to work with the author to achieve our desired changes in the membership of the Conservancy. The bill awaits a committee assignment in the Senate.

County-opposed, unless amended, AB1051 (Goldberg), which would change the way utilities charge users for capital improvements, was referred to the Senate Committees on Local Government and Education on June 5, 2003.

County-supported AB 1154 (Frommer), which would exempt the Office of Statewide Health Planning and Development (OSHPD) positions that are funded by the Hospital Building Fund (HBF) from any State hiring freezes and curtailments, and authorizes OSHPD to increase staffing financed by the HBF, passed the Assembly on June 4, 2003 on a vote of 75 to 2.

County-opposed AB 1470 (Vargas), which would allow IHSS provider wages to be increased through a local voter initiative, passed the Assembly Floor on June 4, 2003 on a vote of 41 to 31.

County-opposed AB 1531 (Longville), which would revise existing primary election laws to mandate that there be three elections during presidential election years, with a statewide direct primary held on a different day than the presidential primary, passed the Assembly on June 3, 2003 on a vote of 42 to 29.

The following bills passed the Senate on June 4, 2003 and are now in the Assembly awaiting assignment to policy committees.

County-supported SB 2 (Burton), which states the Legislature's intent to provide health care coverage for working Californians and their families, passed the Senate on a vote of 25 to 14.

County-opposed SB 125 (Chesbro), which would include county welfare fraud investigators and inspectors into public safety workers' compensation disability benefits, passed the Senate on a vote of 22 to 13.

County-supported, if amended, SB 228 (Alarcon), a workers' compensation bill whose provisions include reducing the time period for employers to pay bills and the period for employers to accept or reject liability for claims, and ties medical services to the Medicare fee schedule, passed the Senate on a vote of 37 to 1.

County-supported SB 354 (Speier), which would increase the maximum fine for workers' compensation or insurance code fraud from \$50,00 to \$100,000, limit chiropractic care to 15 one-hour visits and prohibit physician referrals to family interest outpatient centers, was de-linked from SB 229 (Burton) and passed the Senate on a vote of 23 to 7. SB 229 would provide that the State Compensation Insurance Fund would not raise premium rates for small employers who provide health insurance for their employees.

County-opposed SB 430 (Johnson) which would revise existing primary election laws to mandate that there be three elections during presidential election years, with a statewide direct primary held on a different day than the presidential primary, was amended on June 4, 2003 to forestall the implementation date from January 2004 to January, 2008 and passed the Senate on a vote of 31 to 7. The amendments do not change the County's current oppose position as SB 430 is still an unfunded mandate.

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County-supported SB 457 (McPherson), a workers' compensation bill that would have revised the fines and fees for delayed payment of claims, has been amended to become only an intent bill and de-linked from SB 229 before passing the Senate on a vote of 40 to 0.

County-opposed SB 593 (Ackerman), which shifts responsibility for the assessment of personal property owned by commercial air operators from the County Assessor to the State Board of Equalization (BOE), and uses funding from the State-County Property Tax Administration Grant Program to provide the BOE with revenues to administer provisions of the bill, was amended on June 3, 2003. The amendments change the method in which commercial aircraft would be valued, that would likely result in lower assessments on commercial aircraft. Because of the negative implication of the amendments and the other provisions of the bill on the County, **our Sacramento advocates will continue to oppose this measure**. SB 593 is set for hearing on June 11, 2003 in the Senate Revenue and Taxation Committee.

County-supported SB 921 (Kuehl), which states the Legislature's intent to implement a single payer universal health care delivery system in California, passed the Senate on June 4, 2003 on a vote of 23 to 14.

We will continue to keep you informed.

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MAL:JF:DDN:ib

c: Executive Officer, Board of Supervisors
 County Counsel